

Division of Healthcare Finance
 Projected Reserve Calculation: -2% contribution rate in PY 2014, 7.5% PY 2015 & 9.2% out years
 Medical, Pharmacy, Dental and Vision
 Date of Projection: 4/15/2013

Plan Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
	Actual Factors and Assumptions in PY2012	Projected Factors and Assumptions.....										
Factors and Assumptions												
Interest Rate on Reserves	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%
Admin/Contract Fee Trend	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%
Kansas Healthcare cost trend rate	5.0%	6.0%	6.5%	6.5%	7.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
	HCC Policy Choices in May 2011	HCC Policy Choices by May 2012	HCC Policy Choices by May 2013	Future Policy Choices.....								
Policy Choices												
Employer Contr. % incr. (eff. July 1)	7.5%	0.0%	-2.0%	7.5%	9.2%	9.2%	9.2%	9.2%	9.2%	9.2%	9.2%	9.2%
Employee Contr. % incr. (eff. Jan 1)	44.0%	0.0%	-2.0%	7.5%	9.2%	9.2%	9.2%	9.2%	9.2%	9.2%	9.2%	9.2%
Dependent Contr. % incr. (eff. Jan 1)	-7.4%	0.0%	-2.0%	7.5%	9.2%	9.2%	9.2%	9.2%	9.2%	9.2%	9.2%	9.2%
Direct Bill Contr. % incr. (eff Jan 1)	14.7%	0.0%	-2.0%	7.5%	9.2%	9.2%	9.2%	9.2%	9.2%	9.2%	9.2%	9.2%
Plan design changes % impact on expenses		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Reserves												
Beginning reserve earning interest	12,017,362	12,030,660	12,181,043	12,333,306	150,982,949	120,596,314	96,418,850	77,521,884	65,047,941	60,282,790	64,671,245	79,834,624
Beginning reserve not earning interest	102,929,048	158,309,374	195,322,523	178,259,757	0	0	0	0	0	0	0	0
Beginning Total Reserve Balance	114,946,410	170,340,034	207,503,566	190,593,063	150,982,949	120,596,314	96,418,850	77,521,884	65,047,941	60,282,790	64,671,245	79,834,624
Projected Cash Flow												
Total Employer Contributions	359,671,841	374,645,719	372,730,467	385,712,281	419,013,209	457,501,203	499,524,468	545,407,734	595,505,556	650,205,058	709,928,922	775,138,656
Total Participant Contributions	130,142,982	124,447,306	116,620,157	118,878,565	127,724,909	137,369,664	147,737,585	158,881,119	170,856,290	183,722,913	197,544,822	212,390,104
Total Contributions	489,814,823	499,093,025	489,350,624	504,590,846	546,738,118	594,870,867	647,262,053	704,288,853	766,361,846	833,927,971	907,473,744	987,528,760
Total Plan Expenses (Claims, ASO fees & contracted expenses)	434,434,498	462,079,876	506,413,390	544,355,126	579,012,041	620,555,784	667,364,255	717,731,818	771,940,096	830,293,051	893,118,756	960,771,316
Interest on Reserves	13,298	150,383	152,263	154,166	1,887,287	1,507,454	1,205,236	969,024	813,099	753,535	808,391	997,933
Net Cash flow	55,393,623	37,163,532	(16,910,503)	(39,610,114)	(30,386,636)	(24,177,463)	(18,896,966)	(12,473,941)	(4,765,151)	4,388,455	15,163,379	27,755,377
Projected Reserve Balance												
Reserve Ending Balance	170,340,033	207,503,566	190,593,063	150,982,949	120,596,313	96,418,851	77,521,884	65,047,943	60,282,790	64,671,245	79,834,624	107,590,001
Target Reserve	50,274,000	52,593,000	56,106,000	59,793,000	63,832,000	68,756,000	74,067,000	79,796,000	85,975,000	92,641,000	99,832,000	107,590,000
Difference between the Reserve Ending Balance and Target Reserve	120,066,034	154,910,566	134,487,063	91,189,949	56,764,314	27,662,850	3,454,884	(14,748,059)	(25,692,210)	(27,969,755)	(19,997,376)	0